

Towards a Global and Safe Circular Economy

Joint Industry Response on the EU Waste Shipment Regulation's export provisions



The EU has clarified its policy objectives for the EU Waste Shipment Regulation to be resting on two pillars:

- Support the transition to a circular economy in the EU
- Restrict the export of EU waste to third countries

AmCham, COCIR, CER and DIGITALEUROPE, have jointly commented on the first pillar of the EU's policy objectives for waste shipment in the past and made a constructive proposal on how the establishment of a circular economy procedure could make a single market for secondary raw materials a reality. With this paper, the joint association group would like to follow up with its views on the second pillar of the EU's policy objectives. We mutually believe that the circular economy can only become a reality if we conceptualise it as a global circular economy. Supply chains are operating globally, and truly transforming our globalised economy cannot stop at the European borders. However, while products and virgin raw materials can move relatively freely globally, binding rules under the WSR apply to exports outside the EU, OECD and third countries.

The EU is rightly concerned that significant "...volumes of waste are exported outside the EU, often without sufficient control of the conditions under which the waste is managed in the destination countries". The European Commission is now considering policy options that range from

- increasing enforcement of existing rules;
- banning the export of waste to non-OECD countries;
- banning the export of waste to non-OECD countries, unless there is clear evidence that it will be processed in an environmentally sound manner;
- banning the export of waste to developing countries;
- banning the export of waste to developing countries, unless there is clear evidence that it will be processed in an environmentally sound manner; to
- restricting the export of certain wastes to developing countries.

AmCham, COCIR, CER and DIGITALEUROPE recommend the European Commission keep shipment lanes open which enable the circular economy to flourish, while ensuring a high level of environmental protection. To this end, we jointly suggest the following principles for policy-making on the export of waste from the EU:

1. Do not export to countries that do not wish to receive the waste.
2. Export only to facilities that can ensure environmentally sound management of the waste of a high standard.
3. Equipment and parts shipped for repair, refurbishment and remanufacturing shall be demonstrably non-waste.

In short, the signatories to this paper recommend the European Commission allow continued movement of waste within the OECD - ideally with a simplified procedure as for within the EU - and the establishment of environmentally sound management conditions for exports beyond the OECD.

1. Do not export to countries that do not wish to receive the waste.

Circular economy pioneers will need to find and leverage competitive and environmentally highly performing facilities across the world, not just on the OECD market. Companies are building new supply chains and evaluating existing ones for their potential to contribute towards closing loops. Today, the EU has already imposed a ban on exports of hazardous waste to non-OECD countries. Such an approach ignores that some non-OECD countries have made significant circular economy progress. The EU should not further limit the creation of circular supply chains to EU Member States, Canada, USA, Mexico, Chile, Israel, Turkey, Norway, Switzerland, Iceland, UK, Australia, New Zealand, South Korea and Japan. At all times, the signatories are against dumping waste and substandard treatment of waste and call upon governments to increase enforcement measures against such practices.

Recent policy developments (e.g. on plastics, entry into force of the BAN amendment) have pointed to an increased willingness of the international policy community to restrict waste movements. We are concerned that restrictions might become too tight to allow the global circular economy to flow. Countries are sovereigns, though, and should have the right to opt out of the global circular economy. However, in the pursuit of the circular economy, we encourage the European Commission to follow an opt-out logic rather than an opt-in logic.

Some regions and countries worldwide have adopted measures and signed Conventions to reject imports of waste because they lack the capacity to treat it responsibly. The EU should respect these measures:

- African countries that have signed up to the Bamako Convention
- Island countries in the South Pacific that have signed up to the Waigani Convention
- Countries with national import bans on certain types of waste shipments (e.g. China's green fence policy, countries that are listed in Regulation 1418/2007 of not accepting green-listed waste)
- Countries covered by the Basel Convention ban on trade with non-parties and the BAN Amendment.

2. Export only to facilities that can ensure environmentally sound management of the waste.

Facilities that are proven to adhere to European standards and provide high-performance, environmentally superior receiving facilities should be supported to encourage local circular economy solutions. Such an approach must also prevent the export to facilities outside the EU with lower health, safety and environmental standards.

The Basel Convention and PACE have long debated about environmentally sound management of waste, but specific and clear criteria have not been defined. Rather, they point to management system approaches and rely on local specific requirements. In the absence of a clear regulatory framework, countries in their sovereign authority to do so, have resorted to an easy fix, such as bans of certain waste types or shipment bans altogether. Such an approach prevents the creation of circular economy supply chains.

Conversely, recycling standards and technical specifications for high environmental performance exist: R2, e-stewards, WEEELabex, IEEE1680.2, IEEE1690.3, Canadian Stewardship programs, AS NZ 5377, UL2799 Zero Waste, CENELEC 50625 for WEEE - and for management systems EMAS, ISO14001. A comparison of R2, e-Stewards and WEEELabex shows that the following principles are widely accepted as environmentally sound management, and are present in at least two of the three standards respectively:

1. Transparency on recycling yields and materials recovery prioritisation
2. Outputs from the process are returned into the market as a resource which can compete with a virgin/new alternative. This includes zero waste limits preventing landfill, as well as limits to or no waste to energy
3. Specific controls and processes for materials of concern, including depollution and removal requirements for a defined list of hazardous substances or components
4. Environment, Health and Safety management system, Emergency Preparedness and Response
5. Commitment to the waste management hierarchy
6. Insurance covering potential risks and liabilities
7. Ensuring data security and sanitisation
8. Storage and facility requirements ensuring safety and preventing environmental damage; commitment to fair labour practices
9. Logistics and downstream traceability, including the quantification and tracking of throughput and downstream recycling. Transport and handling in accordance with the Basel Convention and local waste shipment rules.
10. Commitment to continued improvements through audits, monitoring, training, and management reviews

We recommend using these guiding principles in existing management systems and standards to define accountability and certification conditions more concretely which need to be fulfilled by receiving facilities to ship beyond OECD countries under equivalent treatment conditions. Such an approach could create green recovery lanes and boost the creation of a global circular economy. The

signatories to this paper are not interested in creating loopholes for waste dumping and substandard treatment, but in opening up channels to best-in-class recovery processes and facilities, where materials are recovered from waste at high efficiency rates and quality that enable reintroduction into the same or similar supply chain.

3. Equipment and parts shipped for repair, refurbishment and remanufacturing shall be demonstrably non-waste.

Repair, refurbishment and remanufacturing activities are at the core of a circular economy and are extending the use phase of equipment, parts and preventing waste. In a global market, it is of utmost importance that movement of used equipment and parts for such activities are not restricted and clearly legally separated from waste management activities.

While this is already recognised by the Basel Convention, the EU Waste Shipment Regulation, the EU Correspondent Guidelines Nr.9 and Nr.1, and Annex VI of the WEEE Directive, more can be done to support market players that extend the life of products and save energy and resources by preventing the creation of premature waste without opening up loopholes for bad actors.

There is a need to ensure transparency of flows and actors in the shipment chains. The work being undertaken by national and international standards organisations, supported by the industry, to define the processes and outcomes expected from remanufacturing activities is helpful in establishing high quality circular economy supply chains. The recent adoption by ISO of EN 45553, or the publication of the IEC63077, are examples of this work.

About the Co-signatories

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2019, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

COCIR is the European Trade Association representing the medical imaging, radiotherapy, health ICT and electromedical industries. Founded in 1959, COCIR is a non-profit association headquartered in Brussels (Belgium) with a China Desk based in Beijing since 2007. COCIR is unique as it brings together the healthcare, IT and telecommunications industries. www.cocir.org

Conseil Européen de Remanufacture (CER) (European Remanufacturing Council) is based in Brussels and represents small and large businesses from all remanufactured product sectors. Our membership includes OEM companies, approved third party remanufacturers, specialist independent SMEs and trade associations. Our ambition is to triple the sales of Europe's remanufacturing sector to £100 billion by 2030. The European Remanufacturing Council is managed by Oakdene Hollins. <https://www.remancouncil.eu/>

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies. DIGITALEUROPE's members include in total over 35,000 ICT Companies in Europe represented by 70 Corporate Members and 40 National Trade Associations from across Europe: www.digitaleurope.org